

Hearing Date: February 15, 2023
Hearing Time: 10:00 a.m.

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*,¹
Debtors.

Chapter 11

Case No. 22-10964 (MG)

Jointly Administered

**OBJECTION OF THE AD HOC GROUP OF BORROWERS AND JOINDER IN
LIMITED OBJECTION OF THE UNITED STATES TRUSTEE
TO THE DEBTORS' SECOND MOTION TO EXTEND EXCLUSIVITY PERIOD
FOR FILING A CHAPTER 11 PLAN AND DISCLOSURE STATEMENT**

The Ad Hoc Group of Borrowers (the “**Ad Hoc Group**”),² by and through its attorneys, McCarter & English, LLP, hereby join in the Limited Objection of the United States Trustee to the Debtors’ Second Motion To Extend Exclusivity Period For Filing A Chapter 11 Plan And Disclosure Statement (the “**Limited Objection**”; ECF Doc. # 2010) and respectfully state as

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC’s principal place of business is 121 River Street, PH05, Hoboken, New Jersey 07030.

² The members of the Ad Hoc Group (collectively, the “**Borrowers**”) are set forth in certain statements (the “**Rule 2019 Statements**”) filed by McCarter & English, LLP from time to time pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”). On or about January 23, 2023, the McCarter Firm filed the *First Supplemental Verified Statement Pursuant to Bankruptcy Rule 2019* [ECF Doc. # 1920], which is the most recent Rule 2019 Statement identifying the members of the Ad Hoc Group. Additional members continue to join the Ad Hoc Group on an ongoing basis, and the McCarter Firm will file additional Rule 2019 Statements as necessary to comply with Bankruptcy Rule 2019.

follows:

JOINDER

The Debtors seek an extension of exclusivity to file a plan 44 days from February 15, 2023 to March 31, 2023. The Debtors also seek an extension to exclusively solicit a plan for an additional 91 days to and including June 30, 2023. As noted in the Limited Objection, “[t]he Proposed Solicitation Deadline is inappropriate in light of the facts and circumstances of this case. There are no reasons provided in the Second Exclusivity Motion warranting an extension of the plan process another five months.” Limited Objection at p. 2.

The party seeking an extension of exclusivity has the burden of proving cause. *E.g., In re Borders Group, Inc.*, 460 B.R. 818, 821 (Bankr. S.D.N.Y. 2011); *In re R.G. Pharmacy, Inc.*, 374 B.R. 484, 487 (Bankr. D. Conn. 2007). The Debtors have not demonstrated cause to extend the proposed solicitation deadline to a date which is 91 days after the plan is filed. As noted by the United States Trustee “[t]his proposed procedure begs the question of whether the Debtors already anticipate the need for an additional three months to amend the plan after filing in March before soliciting at the end of June.” Limited Objection at p. 4. This issue is of enormous concern to the Borrowers given that these cases are consuming enormous amounts of professional fees and the outcome remains highly uncertain.

Finally, the Ad Hoc Group of Borrowers note that the Debtors have not engaged sufficiently with stakeholders in this case. In particular, to date, the Ad Hoc Group of Borrowers have not had any meaningful dialogue with the Debtors concerning the Borrowers or how it intends to treat that group under plan proposals that are currently under consideration. The Borrowers are the second largest constituency in this case and the lack of dialogue is a major concern.

WHEREFORE, the Ad Hoc Group of Borrowers respectfully request that this Court deny the Debtors' Second Motion to Extend Exclusivity, or alternatively, extend the plan filing deadline and solicitation deadline to a reasonable deadline based on the achievement of certain milestones.

Dated: New York, New York
February 8, 2023

McCARTER & ENGLISH, LLP

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